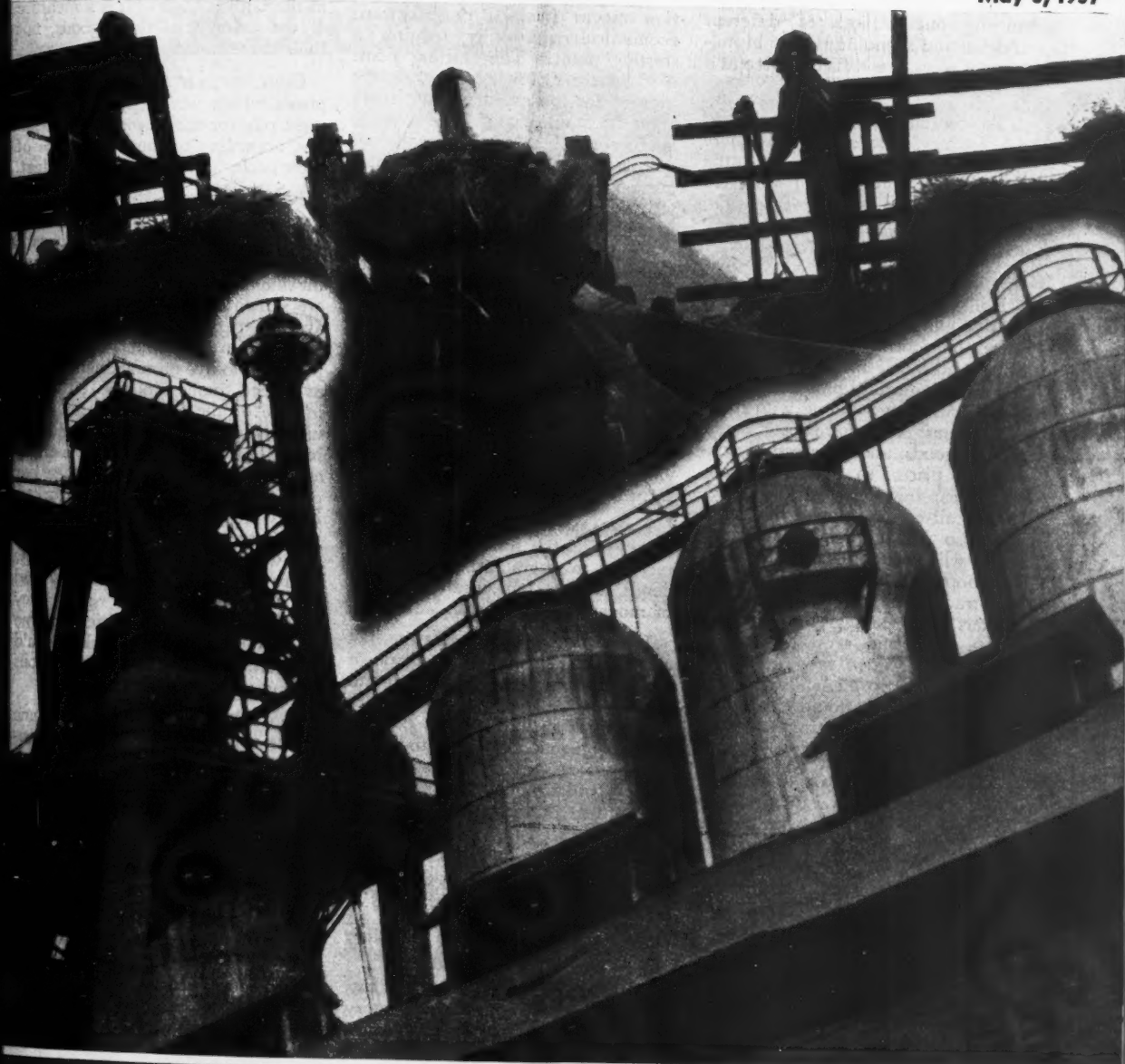


CONSUMERS' *Guide*

Volume IV, No. 5

May 3, 1937



FARMER AND CONSUMER INCOMES

SEE PAGE 3

CONSUMERS' *Guide*

Issued every two weeks by the Consumers' Counsel, Agricultural Adjustment Administration, Department of Agriculture, Washington, D. C.

VOL. IV, No. 5

MAY 3, 1937

IN A COUNTRY as complex as ours, doing millions of different jobs, turning out millions of different articles, and spending money in millions of ways, it is difficult to see at a glance how we are faring.

To consumers, and therefore to the country, one signpost is more important than any other. It is the one that tells us whether we have arrived at the road of *increasing purchasing power*. That is the only goal that means real prosperity for all of us.

Dollar bills in themselves cannot satisfy hunger or thirst, keep us warm or cool us off, carry us to distant places or bring things to us. Money is important only in terms of what it will buy. Along with more money must come more goods, better quality goods, and progressively decreasing prices, so that more consumers can buy the goods they need, so that all consumers can buy more goods, so that the demand for these goods will keep mills and factories and shops busy, so that busy industry and trade can keep on employing workers and paying them decent wages. If profits grow too fast, if wages do not grow fast enough, if jobs do not increase enough, if lower costs of production do not get passed along in lower prices, trouble is sure to come.

In the following six pages we show which way income, production, living costs, and purchasing power are moving. Most of these data refer to very large groups of people or things. Because they are broad in their scope they tend to obscure the danger signs that have already shown up in specific situations. For instance, there are groups of workers, within the general classification of "labor", whose income has not increased as much as the average for the group. There are goods whose prices have

increased much more than the average shown in cost of living changes. There are industries whose production has increased much more and whose payrolls have increased much less than average. There are industries which are passing on to profits, instead of cutting prices, too large a part of the benefits gained from lower production costs. These exceptions are important, but there is not space here to present them. In future issues of the CONSUMERS' GUIDE we shall come back to them.

Measuring distances which a nation moves forward or backward economically naturally requires a starting point. The starting point used in the following pages is the average for the 5 years, 1925, 1926, 1927, 1928, and 1929. This average is represented as 100. (Because of lack of data, the "base" for purchasing power of "labor" is the single year 1929.) Latest figures available for all items portrayed are for March 1937. To make fair comparisons with conditions in the depression, data for March 1933 are shown.

FARM INCOME represents the money farmers made selling produce from their farms and any payments received from the Government. It does not include other kinds of cash income farmers receive. Nor does it include any estimate of the cash value of the products consumed by farm families from their own farms.

NONFARM INCOME represents the money that the rest of the country received, in wages and salaries, dividends, interest, rent, and other types of money income.

LABOR INCOME represents the best estimates that can now be made of the wages and salaries which all employed people (except farm labor) receive. It includes wages paid to workers on relief as well as to people employed in private industry, and money paid to themselves by people who are in business for themselves. Records are not good enough yet to weed out salaries paid to executives in business so as to get a picture of wages only. Nor do the figures include any income received by employed people outside of their employment.

FACTORY PAYROLLS represent the wages paid only to employed factory workers as a group. Factory workers are only a small part of all the

workers in the country. Obviously this factory figure tells nothing about the number of people who are supported by the earnings of factory workers.

FACTORY EMPLOYMENT represents the number of workers hired by factories. It takes no account of the number of hours these people work, nor of the number of people dependent on employed workers.

INDUSTRIAL PRODUCTION represents directly and indirectly nearly 80 percent of the total production of goods in the United States. It is a measure of the amount of these goods, not their value in dollars.

COST OF LIVING represents the prices which workingmen's families must pay for their everyday necessities, according to the importance of these necessities in the family budget.

REAL INCOME.—Here the major facts of importance to consumers are lined up. Real income represents the goods and services which money income will buy. Three estimates are shown: The real income of the average person not getting his income from a farm (this includes people who live on unearned, as well as earned, money income); the real income of the average person earning wages and salaries; and the real income of employed factory workers as a group, not of the average per person. Employed factory workers in a depression period such as March 1933 were a relatively small group, and we have no way of figuring how many unemployed people they had to support with the wages they earned. Any estimate of real income per employed factory worker would not give a fair picture of conditions among workers generally.

Agriculture's picture reflects some of the gains made in income by non-farm people. On the final page, we show changes in the prices farmers receive, and in the prices farmers pay for the goods they need, not only in their business but in their households. *Ratio of prices* represents what goods farmers can buy with the prices they receive.

Finally, we show the farmers' share in the prices consumers pay for 10 foods. Important measure of farmers' prosperity is not only a bigger income but a larger share in consumers' dollars.

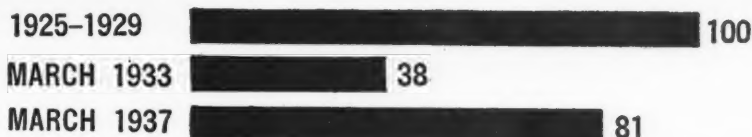
WHERE ARE WE NOW?

Signposts that point which way real income has moved since predepression years and the low point of depression

1. MONEY COMING IN

FARM

Farmers' cash income took a harder licking in the depression than did nonfarm income. It shrank to a little more than a third (38 percent) of its predepression size. Since March 1933 it has stepped up to 81 percent of its 1925-29 level. By March 1937 it was much closer but not quite back to the same relative position with nonfarm income which farm income had before depression set in. Despite the gains, it is still 19 percent below the level of farm income in 1925-29 and it has to meet the needs of more people. In predepression years the average population on farms was 30,500,000 people. The farm population now has reached 31,800,000.



NONFARM

Income from nonfarm sources, too, showed a serious dip in the depression, but not so serious as did farm cash income. In March 1933 it was only 57 percent as large as in predepression years. Four years later, in March 1937, nonfarm income had swelled in size to 88 percent of the 1925-29 average, leaving 12 points still to go to match this better level as against 19 percent for farm income. The number of people dependent, in the main, on nonfarm income has increased even more than has the farm population—from 87,000,000 in 1925-29 to 96,000,000 now.





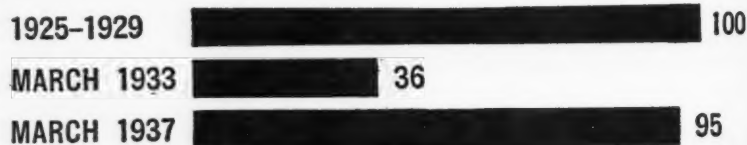
Labor income has followed much the same route taken by nonfarm income. At the bottom of the depression it was only 57 percent as large as it was in predepression years. More jobs and better pay plus Government expenditures in wages to relief workers have lifted labor income up from this low level to 93 percent of its 1925-29 level. Again, more people had to share in this income. Not counting the number of people dependent on these earnings, because there is no record of them, there are some 5 percent more earners sharing in this labor income now than in 1929.

Among the people earning wages certain groups fared just as badly in the depression as did farmers. Particularly was this true of factory workers whose income fell in March 1933 to 36 percent of the 1925-29 level. Employment dropped, too, to 61 percent. Like farmers, factory workers *with jobs* are now in an improved situation. They have increased their group earnings to 95 percent and their employment to 100 percent of the 1925-29 levels.

LABOR INCOME



FACTORY PAYROLLS



FACTORY EMPLOYMENT





2. GOODS PRODUCED

Mines and factories are busy again. They are turning out more goods. In March 1933 industrial production had slowed down until it was just a little more than half (54 percent) as great as in 1925-29. Primed by public policies stimulating consumption, by more money in consumers' pocketbooks, by orders from merchants who are stocking up against possible price increases, by stirrings of war abroad, and by other causes, industrial production now is not only as great as in 1925-29 but 8 percent greater. This measure of industrial production includes both mining and manufactur-

ing. Manufacturing production is 6 percent above the 1925-29 level.

Now glance back at the record of factory payrolls and employment, on the opposite side. The gain in manufacturing production has far outstripped gains in factory payrolls and employment. Better methods of production which develop year after year mean that many goods can be produced with fewer workers and smaller payrolls. If all the city workers who need jobs are to find them in industry, production must step up still further. If workers are to be enabled to buy back the increasing supply of goods industry produces, their pay checks must

keep on increasing or the prices of goods must fall off. No nation can grow prosperous if too large a share of the gains of industry go to profits rather than to the workers who produce the goods, in the form of higher wages, or to consumers who buy industry's goods, in the form of lower prices. In 1 year, from 1935 to 1936, profits of the same 940 important industrial corporations increased 550 million dollars. An estimate of total industrial profits in these 2 years indicate that for every dollar added to payrolls 50 cents was added to profits. There are no comparable figures for pre-depression years and 1933.

INDUSTRIAL PRODUCTION





3. MONEY GOING OUT

(NONFARM)

Costs of living represent the other side of the worker's ledger. Most of the money that goes into workers' pockets goes right out again to pay for the goods and services that keep people alive and well, or at least alive. Food prices during the depression took much the same nose dive that wages took, but other living costs dropped much less. Total living costs in March 1933 were only 27 percent below 1925-29, while nonfarm income and labor income were 43 percent and factory payrolls 64 percent lower. By March 1937, living costs had increased, as income had, but until this date they had not stepped up as fast. They are now about 17 percent below predepression costs, while nonfarm income is 12 percent below, labor income 7 percent lower, and factory payrolls 5 percent under 1925-29 levels.

COST OF LIVING



FOOD



ALL OTHER ITEMS



4. REAL INCOME

Consumers' true measure of prosperity is how much goods and services they can buy with the money they earn. Divide money income by the cost of necessities and you get "real income." We give three measures of real income on this page. In the first we show changes in the real income of the average person not living on a farm. The real income, or the purchasing power, of this average person in March 1933 was only 74 percent of his purchasing power in predepression years. By March 1937 it was back to 97 percent of this higher level. Next comes the real income of the average person getting wages or a salary. Here we have to make comparisons with 1929 because figures are not available for earlier years. This average worker in March 1933 had a real income only 70

percent as large as his 1929 purchasing power. By March 1937 his real income had increased to 97 percent of 1929. Finally, factory workers. Because employed factory workers as a group represent only a portion of all the actual and possible wage earners, we have not measured his average real income but show how the real income of the group has changed. As a group, workers who had jobs in factories both in the years 1925-29 and in March 1933 (of course, that number was severely cut) had a real income only half as large at the bottom of the depression as before. Many more workers are now employed in factories and wages have gone up, so that the real income of this whole group now stands 14 percent higher than in predepression years.



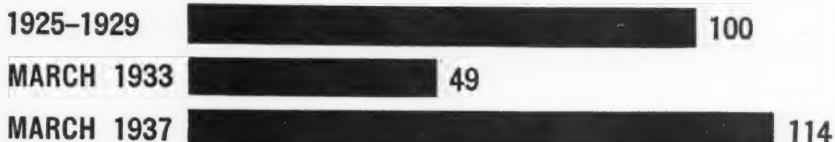
NONFARM



LABOR



FACTORY PAYROLLS





5. WHERE FARM PRICES STAND

In most consumer budgets, food is the biggest single item. Its cost usually amounts to at least one-third of the family expenditures. Whether consumers get an adequate supply of food at fair prices depends in large measure on how farmers fare. Consumers stand their best chance of getting abundant supplies at fair prices when farmers are prosperous. One index of farmers' prosperity, or lack of it, is the way prices received by farmers move in relation to the way prices paid by farmers move. The third chart here shows the combination of these two price movements, or the purchasing power of farm prices. In March 1937 this purchasing power had dropped to 58 percent of its predepression level. Now it stands at 3 percent above the 1925-29 level. Another index of farmers' prosperity is the share they get of consumers' food dollars. In March 1937 this share was almost as large as it was before the depression.

Many of the photographs in this article were furnished by Resettlement Administration.

PRICES RECEIVED BY FARMERS

1925-1929	100
MARCH 1933	37
MARCH 1937	87

PRICES PAID BY FARMERS

1925-1929	100
MARCH 1933	65
MARCH 1937	84

RATIO OF PRICES PAID TO PRICES RECEIVED

1925-1929	100
MARCH 1933	58
MARCH 1937	100

FARMER'S SHARE IN CONSUMERS' DOLLAR

1925-1929	100
MARCH 1933	64
MARCH 1937	97

WHAT KIND OF SAFEGUARDS?

More facts about Government control of labels on food packages. This is the second of two articles on Government on the food front *



An official of the Food and Drug Administration measures the empty space between the top of the vegetable and the top of the can to see if it comes within the legal limits set by Federal law.

HONESTY in labeling may be required in two ways: Negatively, in that whatever statements made on labels shall be truthful; positively, in that *all* the facts a buyer should know shall be stated. As we pointed out in the first installment of this article, the Department of Agriculture, in its control of meat labels, requires that labels honestly describe the contents of the can or package and be informative. It does not require that any quality grades shall be stated on labels.

Meat products described as "country" or "farm" must actually be made in the country or on the farm. If prepared in a factory, they must be described as "country style" if prepared in the same way as country-processed meats. Philadelphia scrapple must actually be made in Philadelphia or called "Philadelphia style" scrapple. Pictures on labels must not lead consumers to expect

something inside the can, bottle, or container which is not there.

"Fresh" on a United States inspected and passed label may be applied only to meats and meat products which have been neither preserved nor cured. "Ham" describes "pork hams." The use of words descriptive of meat products has been strictly defined by the Department of Agriculture and packers are required to use these words in the meaning of the Department. Consumers interested in these definitions may obtain them by writing to the Bureau of Animal Industry, Department of Agriculture, Washington, D. C.

Superlatives cannot be used indiscriminately. Words like "best" or "finest" may be used when qualified by the packer's name. A packer may not simply say "Best Bacon", he must say "John's Best Bacon." How John's Best Bacon compares with Jack's Best Bacon is for the consumer to decide.

Of course, each label must state plainly the weight of the contents of the package or can to which it is attached. Nor can the weight of non-edible preservatives be counted in determining the weight of the contents. For instance, the weight of the brine in which sausages are sometimes packed may not be regarded as part of the contents of the can in determining the weight of the contents. Weights also must be given in the largest possible unit. "Seventeen ounces" sounds like more than "one pound, one ounce." Labels, therefore, must read "one pound, one ounce", or "one pound, eight ounces", as the case may be, in order not to be misleading.

Brand names often confuse consumers, but not those carrying United States inspected and passed stamp. The right of the Department of Agriculture to forbid the use of misleading brands was upheld strongly by the United States Su-

* First section appeared in the April 19, 1937, issue.

preme Court decision in the case of Brougham versus the Blanton Manufacturing Co. The Blanton Manufacturing Co. had been engaged in the manufacture of a fat containing 30 percent cream which it sold under the brand name of Creamo. Later, however, it stopped using cream in the manufacture of the fat, though it persisted in the use of the brand name. The Department of Agriculture sought to prevent the use of "Creamo" as a brand because it was misleading to consumers, since cream was no longer being used in the manufacture of the product. The case was carried to the Supreme Court and there, in a decision handed down on April 18, 1919, the right of the Department of Agriculture to forbid the use of misleading brand names was completely upheld.

All cans bearing United States inspected and passed labels are stamped with the number of the packing house where the product is made. Each United States inspected meat packing plant has a number. Thus, any packaged or canned meat product may be traced, if necessary, to the plant where it was processed.

Labels of imported products must, like domestic labels, conform to United States standards. Very often they are printed in foreign languages and use local, almost untranslatable words, but whatever the difficulties of translation, the same rigid standards of truth are enforced on them as on United States labels.

During 1936 the meat inspection service approved more than 21,000 labels for meats and meat products; 3,587 were disapproved. Reasons for rejection vary considerably, but a measure of the consumer protection afforded can be seen by listing some of the reasons: False statements regarding quantity, quality, origin of product, and in a number of cases, false statements regarding medicinal and curative properties of the products.

Required Government approval of labels on food products in advance of their sale stops here. Voluntary approval starts with the shrimp and poultry product packers. In order to secure Federal supervision of their plants these packers must agree to the regulation of their labels. Just as in the case of meats and meat products, the Federal inspection stamp on a shrimp or a poultry product certifies that the label describing it is *truthful*.

With these exceptions there is no other Government supervision of labels on food products before the products appear on consumer markets. There is policing of labels after they appear on the market. In policing most labels the Government requires merely that the label shall not tell a lie. We will come later to those exceptions in which the Government requires that labels tell certain facts.

The Food and Drugs Act, which was enacted into law in 1906, together with the seven amendments

to it adopted since that date, provides that a product is misbranded if its package or label contains statements, designs, or devices which are false and misleading. Violations of the law carry penalties all the way from forfeiture of the goods to fine and imprisonment.

Compare this with the label regulations under the Meat Inspection Act. There, no label may be used at all until it has the prior approval of the Department of Agriculture. Under the Food and Drug Administration the statements on a label are regulated in advance only by the manufacturer's discretion. Of course, if he violates the law he is likely to be prosecuted, but to establish in court that he violated the law it must be proved that he told an untruth on the label. He does not violate the law if, for instance, he simply refrains from telling the truth. Under the Meat Inspection Act the Department of Agriculture may require that a label not only be truthful but that it also be informative.



No canner is required to grade the quality of his goods or mark its quality grade on the label but an increasing number are doing so and using the Government's standards of quality for their grading.

With certain exceptions, the Food and Drugs Act does not require that a label give any relevant information to the consumer.

When products contain certain drugs or alcohol, the processor is required to note their presence on the label, and the amount or proportion.

Simple, unmixed foods cannot be sold under fanciful or "trick" names. The same is true of drugs described in the United States Pharmacopeia or the National Formulary, which are authoritative compilations of recognized drugs and drug compounds.

Consumers should underline the fact that this applies only to simple unmixed foods and drugs. A drug or food that is a mixture may be sold under a brand or label which gives no indication of its contents.

Many foods have been defined for administrative purposes by the Food and Drug Administration, and butter is the only food which has been defined by law. These definitions serve as standards of identity, and only incidentally, imperfectly, and

in a few instances, as to minimum standards of quality. Under the McNary-Mapes Amendment to the Food and Drugs Act, the Department of Agriculture has established minimum standards of quality for certain canned foods. Canned foods falling below this minimum standard must have this fact noted plainly on their labels.

Actual food content of a package is next in importance to the consumer. Here, too, the Food and Drugs Act requires that the manufacturer state plainly on the label the contents, in terms of net weight or other suitable units, of the food in the container.

Size of the container, however, sometimes influences consumers more than the actual weight of its contents. Consumers looking at shelves are impressed by the size of a can but learn later on opening the can that it is only partly filled. To prevent such deception the Department of Agriculture has issued, under the McNary-Mapes Amendment, regu-

lations governing the fill of certain canned foods. These regulations prescribe the maximum amount of empty space in a can, and the maximum amount of liquid packing medium, such as brine or oil or water, that may be used. Such regulations now apply to all canned foods, as defined in the McNary-Mapes Amendment, either through general or special minimum fill of container standards.

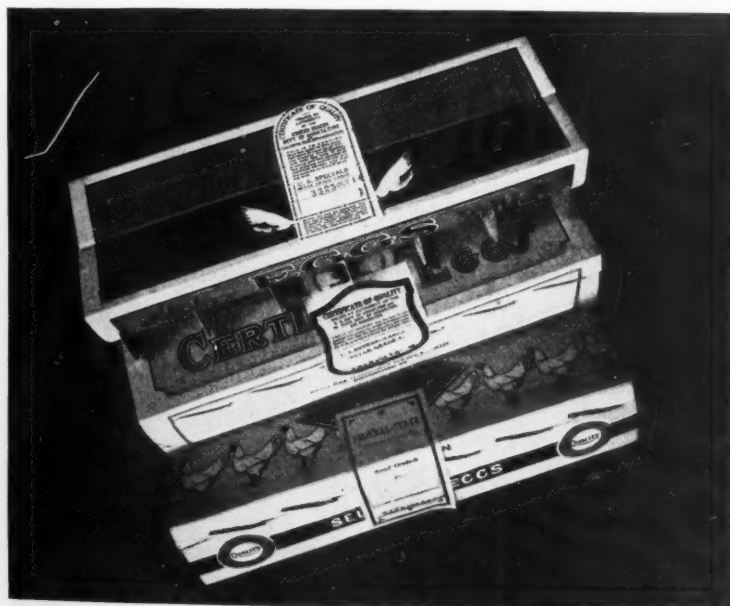
Labels and brands, of course, are not the whole concern of the Food and Drugs Act. The act also seeks to protect consumers by preventing adulteration, the addition of poisonous or harmful ingredients to foods and drugs, and the use of filthy, decomposed, or putrid ingredients. Bright colors in foods today present little hazard to consumers but manufacturers of food dyes voluntarily submit samples of color batches for testing by Food and Drug Administration chemists before they market their dyes. Safe dyes receive a certification of a consumer guarantee of purity that shows on the container.

Effectiveness of consumer protection under Federal Food and Drug Act is implemented by similar protective work of State and municipal agencies within their jurisdictional limits. Often where limited funds and personnel make adequate enforcement difficult the Federal agency is enabled to stamp out specific hazards by enlisting the cooperation of other agencies.

For a full discussion of the Food and Drugs Act refer to the following article in the CONSUMERS' GUIDE: "Policing Foods for Humans and Animals", February 22, 1937.

A-B-C grading or other consumer guides to quality are not required by Federal law for any food product. Consumers may, however, procure at their grocery stores, if they demand them, many food products that have been graded for quality according to

[Concluded on page 22]



Guessing on quality is not necessary for the consumer of these eggs because certificates or seals on the cartons show that the eggs have been inspected and graded by official graders and when the grading was done.

A New Venture in RURAL EDUCATION

Young farmers of Wisconsin learn new ways of meeting their producer and consumer problems through their Farm Folk School

SOUND farm practices, wise practitioners know, do not spring out of the ground like weeds. They need cultivation. Nor is good farming concerned only with the physical operation of a plot of ground inside a fence. It must reckon, too, with economic forces that sweep across all farm fences, into cities, across the seas, and swing back again to farm doorsteps.

Keeping abreast with improved farming methods, understanding the tugs and pulls of economic forces, learning how to build well-integrated lives—these problems lay heavy burdens on modern-day farmers. In meeting them, many agencies—farmers' own organizations, educational institutions, cooperatives, the Government—lend a hand. Now comes a new type of school to give young farmers a boost toward greater economic security and abundant living.

Modeled after the famous folk schools of Denmark, the Wisconsin Farm Folk School at the University of Wisconsin at Madison today looks forward to the time when it, like the Danish folk schools, will become a vital everyday force in the life of every Wisconsin farmer. Through it farmers are helped in learning not only how to make farms pay, but how to enrich their life on the farm.

Problems discussed and debated range over wide fields—economics, art, music, farm management, community organization—at the forum which students attend 3 evenings each week.

Folk schools are not for children. They are for young men and young women, for adults. The average age in the Folk School is 20, but many students are older. Some are heads of families, some of them grandfathers. Students do not attend the schools as a part of the usual public school education, in which one grade follows another, one course another course, until in the end the student comes to his last grade, has his last course, and then graduates, through with school forever. The Folk School is designed for persons who work on farms or who own their own farms. It is intended to help people meet responsibilities to which they are already committed.

There are no examinations, no grades, no graduations in a folk school. Textbooks are used as rarely as is possible. Classes are for the most part informal discussions in which the instructor acts as a leader. In some schools students are asked to refrain from making notes. The emphasis is on the spoken word; the written word, they say, is cold and lifeless.

School is in the winter, so that farmers can attend during their slack period. Students live either at or close to the schools. Usually each group of students lives with an in-

structor, and, so far as possible, there is no separation of instructors from students. Schedules in the folk school plan provide for lectures which are scattered during the day, outdoor play, singing, assemblies, and for periods for reading and study. Other courses include farm accounting, history and literature, agricultural economics, agricultural methods, and natural science.

Organization of the Wisconsin folk school grew out of the limitations of an educational program for young people who intended to be farmers, known as the Agricultural Short Course. This course was designed simply to teach young men how to farm, nothing more. Such education is grim, and it was without surprise that educators in the University of Wisconsin noted that the Agricultural Short Course was dying on its feet.



Shortcomings of its first effort at education for working farmers showed up the merits of the folk school idea. In 1932 the University of Wisconsin set about transforming its course into a folk school. The grimness of the former curriculum gave way to new methods of study. In addition to the vocational courses in farming, the school now teaches courses in music, in drama, in painting, in economics, in history, for it is the school's contention that cultural activities can thrive as well on the farm as in the city. Problems of farming, according to the director of the school, do not end at the fences that enclose the farm. Farmers must be trained not only to farm but to understand the world they live in.

Wisconsin's Farm Folk School students are mature. Their average age in 1936 was slightly under 22 years. Most of them came directly from farms in Wisconsin. There are also registrations from five other States. Educational requirements for admission are not rigid. Some of the students are college graduates, some of them even have graduate degrees. The majority of students, however,

have only a high school education. Nearly one-sixth of the 356 students at the school in 1936 had never attended high school at all. All students, however, are mature enough to know what they want from the school and to work hard to get it.

One student enrolled because he inherited four farms from his father and knew nothing about farming. He intends to learn about farming and to run his farms himself. Another student discovered quite accidentally that he had a genius for working with horses, so he is at the school to learn what he can about horses before breeding them commercially. Each student comes to the school because he knows that the school will recognize him as an individual and enable him to meet the problems he has encountered. "We train toward the farm", the dean of the school has said. "It is time to establish the dignity of the farming profession and to develop rural citizenship." That this is being accomplished is plain from the fact that 95 percent of the students return to their farms after finishing school.

Wisconsin's course consists of two

15-week terms in successive years, from November to March. However, a student may enroll for only one term, or, if he wishes, he may return for a third or fourth year. Cost per student for a term at the Farm Folk School is \$97.50. This includes \$5 a week that is charged for room and board, tuition, and the cost of medical care. Those who are unable to afford this modest sum may obtain scholarship grants from the National Youth Administration.

Students sleep in dormitories that were rebuilt from soldiers' barracks which survived the World War. They bunk in double-decker beds in a huge room that contains 28 such beds. Each shares with another student a study room. Meals are served in a university cafeteria, and some students help pay the cost of their schooling by working here.

Education itself in the Folk School is as informal as is possible. It is conducted in laboratories, on the university farm, in the university dairies, and, whenever possible the teaching is incidental to a practical activity.

Attendance is now restricted to men, but plans are under way for





Farm boys get their chance to work out in laboratories their home farm production problems.

a folk school for farm girls, too. The dean of the Folk School recognizes the need for such a school. "It is", he says, "of the greatest importance to the young men who will man the farms of tomorrow that they have an opportunity to marry girls who will have developed an interest and sympathy for farm life."

Self-government is the rule at the Folk School. The students assemble periodically to pass the regulations by which they are to be governed, and here they learn the technique of running a successful meeting and prepare for the time when they will return to their communities and take an active part in civic and cooperative affairs.

Chief feature of school life is the forum held three evenings a week in the assembly hall of the dormitory. Outside lecturers lead discussions on topics of general interest. Sometimes an artist addresses the students on modern art, discusses with them the opportunities for artists to depict farm life. Other evenings there are concerts, followed by a discussion of music. Here, too, the stu-

dents discuss problems of farm life, the technique of organizing and running cooperatives, and the problems of rural leadership. Students are encouraged, too, to talk over their problems with their instructors, to organize small discussion groups among themselves. One instructor lives in each dormitory.

Student activities are not confined only to the Farm Folk School. Often at the university attending the regular courses there are young men from the same communities as the students

in the Folk School. Through them, Folk School students participate in the full university life and obtain the benefits of an experience that would ordinarily be denied them.

When school is over and students return to their farms, these new habits of thought, this new facility in artistic expression, this new understanding of individual and group economic problems find expression in the organization of economic, civic, and cultural group activities, and in the determination to bring to the farm the companionship and stimulation that the student found at school. School has helped the students to see beyond their own fences and the borders of their own community, and to shoulder the problems that are common to all of agriculture and to all the people.

Folk schools are no new phenomena in America. In 1876 a group of Danish ministers met in Chicago to foster the development of folk schools here. As the result of their activities many folk schools were established of which two still survive.

Brasstown, N. C., is the scene of the John C. Campbell Folk School which was established in 1925. Today around this school there has grown a small cooperative community with a credit union, a cooperative creamery, a cooperative corn mill, and a progressive farmers' association.



Students observe good dairying practice in the university's model dairy.

BUILDING

a cooperative enterprise

A case history of one group of consumers who are trying the cooperative route to bigger and better larders



Many months of experimenting in cooperative buying preceded the opening of this grocery.

HOUSEHOLD buyers, not unreasonably, want for their families a wholesome, well-balanced diet at reasonable prices. Buying guides, consumers' organizations, food laws are some of the devices to help individual buyers get this kind of diet. Consumers' cooperatives, still relatively unimportant numerically, represent another kind of effort which consumers, as groups, are testing as a way to stretch food dollars and make them do full duty in getting the quantity and quality of foods which families with limited incomes need.

No easy solution to such consumer problems comes the cooperative route. Organization of a cooperative is itself a difficult job, but getting the machinery of cooperative business hitched up does not in itself guarantee higher quality food at lower cost. Before this can be achieved, cooperators, like private businessmen, must learn the minutiae of making a machine work, of gaging consumer demand, of knowing sources of supply, of buying wisely and selling efficiently, of keeping accurate accounts. To justify

their existence cooperators must prove that they can do these things as well as, if not better than, private business, and withal keep the management of their affairs democratic.

In Washington, D. C., some blocks south of the wide-lawned Mall, which extends from the Capitol to the Lincoln Memorial, there is a cooperative grocery store. It does not pretend to have solved all of the problems which consumers' cooperation poses; it claims only to be an approach by one group of consumers to the solution of their food problem. The informal history of this store which follows recounts its activity, its successes, its failures, and suggests some of the problems that other consumers must meet if they attempt to start consumers' cooperatives of their own in this difficult field.

Convenient to the wholesale section, the wharves, and to Washington's open-air market, the Washington cooperative grocery store is admirably situated for the purchase of foods. But if it is in an excellent buying location it is far from the residential neighborhood where most of its cooperators live. That there is very little over-the-counter trade is evident in the store itself, which looks more like a wholesale grocery than one catering to consumers. Canned goods with their colorful labels fill the neatly made wooden

shelves on one side of the store. On a stand against the opposite wall bushel baskets and burlap sacks are piled with vegetables. In the center of the store another wooden stand holds sacks of bulk foods such as sugar, beans, and gelatine, a white metal scoop in each sack. Cooperative brands predominate among the canned goods. Conspicuous, too, is the fact that canned goods are stocked in larger sizes than appear in the usual grocery store. Most foods seem to come in 50-ounce cans.

The manager of the store, a young college graduate, is at a desk deep in cooperative bookkeeping, with a typewriter and telephone at his elbow.

Rochdale Stores today has a weekly business of between \$600 and \$700. Two paid full-time workers, a paid part-time worker, and 10 short-time volunteer workers run the store. Prospects are good enough now so that the store contemplates employing a professional store manager, moving to larger quarters, and expanding its business to take care of the demand for a wholesale cooperative grocery distributor in Washington.

Today Rochdale Stores has a tradition and a history. Fifteen months ago it was merely a committee on buying in the Washington Consumers' Club. Six months before that the Washington Consumers' Club itself was only 10 people interested in cooperatives who met to talk about them.

Social organizations, like human beings, have their own personalities, and Rochdale Stores, Inc., is no exception. It acquired its personality by just growing. The original members of the buying committee, who eventually became the founders of Rochdale Stores, had no notion that their activities would eventually result in a cooperative grocery store. When they started to meet as a com-



In their earliest stages of cooperative buying, the chairman and a member of the Consumers' Club buying committee went to wholesale markets every Friday to buy the foods ordered by cooperating families.

mittee they did not even know what they were going to do, but from week to week, as a result of an original decision to buy cooperatively, the committee's activities have expanded and taken shape until now they are able to plan and to proceed in a predetermined direction by methods that they have tried and found workable.

First venture of the buying committee was a flyer in coal. Like many speculations, it did not turn out too well. The committee arranged with an independent coal distributor for the purchase of coal by the members of the Consumers' Club. It purchased coal for resale at \$3 less than the retail price and sold the coal to its members at \$2 less than the retail price. Part of the extra dollar saved was returned to club members at the end of 6 months in the form of consumer dividends. The rest went into the Club treasury. But before the end of the winter the bargain in coal proved to

be slate. Consumers found that the coal was poor quality. As a result of many complaints, this arrangement had to be discontinued, and a new contract had to be obtained with another coal dealer, this time a reliable one. This second contract provided for the delivery of coal at the market price with a \$1 rebate per ton to the Consumers' Club for every ton sold to its members. In this experiment \$1,000 worth of coal was sold. Cooperative buying of coal is now in the hands of a special committee which not only handles these local purchases but also buys directly from a coal mine in Pennsylvania. This coal is sold to members at current retail prices. Last year it sold \$4,000 worth and turned into the club treasury savings of over 20 percent.

Laundry service, too, the committee thought, could be secured for members through group buying. Here the research committee of the

May 3, 1937

Consumers' Club was brought into action. Each laundry from whom the buying committee obtained a bid was investigated by the research committee, particularly to determine labor conditions in the laundry. The research committee, however, placed an insuperable obstacle in the path of the buying committee, for no laundry which would agree to give a rebate had labor conditions which a consumers' club could approve. To secure consumer dividends at the expense of sweated labor was contrary to the established principles of the Club. As a consequence no satisfactory contract with a laundry could be obtained.

Intelligent buying of food requires training, as many consumers discover to their chagrin, and as some cooperatives have learned to their regret.

Fortunately the buying committee, made up of four women, included a member with extensive experience in quantity buying. Her original interest in quantity buying was provoked by an intense dislike for shopping. Buying food for her family seemed to take all of her spare time. She decided that if housekeeping were going to be bearable at all she would have to work out some way to get her food shopping done and over with as quickly as possible. This she accomplished by doing all of her food buying once a week. Soon she discovered that she was not only saving time but that she was also saving money. By making all of her purchases for the week at one time she was able to profit by good buys and to make savings by bulk buying. Further study revealed to her the advantage of buying by quality grade. In the end she was not only saving money and time, she was also able to serve her family food that was consistently good in quality, something she had not been able to do when she bought daily in small amounts. Buying by this time no longer bored her. As a result of her

interest in buying she was soon made purchasing agent, without pay, for a nursery.

With this experienced buyer for chairman, the cooperative club's committee began to buy food for its members. First step in securing the full benefits of group buying was an agreement made by each committee member to put her buying on a weekly basis. Each Thursday evening committee members telephoned their weekly shopping list to the chairman, who, accompanied by a different member of the committee each week, set out on Friday morning to the markets to do the joint marketing for the group.

Wholesale prices, they learned, could be obtained from a particular wholesaler even with a \$10 order for food. The same kind of coffee sold in retail packages under a brand name at 26 cents a pound could be bought for 19 cents a pound in hotel packages. By buying olive oil in half-gallon or gallon cans they were able to get 4 or 5 times as much as they would have received for the

same amount of money spent for oil in 2-ounce or half-pint sizes. Macaroni which cost 80 cents a pound in 2-ounce packages they bought for 40 cents a pound in bulk. Gelatine cost 40 cents a pound; in small quantities they had paid \$2.40 a pound for it. Vanilla cost half as much in bulk. Soap flakes, meeting Government specifications, cost approximately one-third as much. So it was throughout their list of household needs.

All purchases, where possible, were made by quality grades. Where the committee was doubtful of the quality of a particular commodity, or where there was no grade available, they sent samples of staple household supplies off to a consumer laboratory for testing.

Chief among their problems at this time was gathering together orders large enough to obtain wholesale prices. To insure big orders, each committee member solicited her nearby neighbors to get them to join in on the plan. So successful were they that buying units centering



In the suburbs the cooperative's hired truck delivered supplies for a group of families to the automobile of a member who then served as deliveryman the rest of the way to cooperating families.

around each of the original committee members came into existence. In time these buying units met every Thursday afternoon and made up their group orders. These were pooled with group orders from other neighborhoods. The chairman of the central buying committee had the master list ready for Friday morning's foray at the markets.

Orders were sizeable now. In fact, filling them was too heavy a job for two expert shoppers, so the whole committee took to Friday shopping. All of them were now trained buyers and specialists in different lines. One woman purchased poultry, eggs, and butter; another purchased staple foods; still another purchased meats. After these purchases had been made, the committee members came together again at one of Washington's open-air markets to purchase vegetables. All purchases, with the exception of the vegetables, were delivered by the wholesalers to the homes of each of the unit chairmen. Vegetable purchases went to the homes of the unit chairmen in their own cars. A small distributing center was thus created in the home of each unit chairman.

What to charge cooperating families for the food purchased at wholesale was a major problem at first. The cooperative principle is to sell all goods at the current prices charged by other retailers. Savings, under the cooperative plan, usually go back to the customers in proportion to the value of the purchases they have made. In the early days of this Washington experiment this principle was not followed. Cooperating families paid their share of the total wholesale cost. The buying committee made no charge for its services and added nothing to the price they paid to wholesalers. As an approach to the Rochdale method of doing cooperative business, certain buying units agreed to

pay the wholesale prices plus 5 percent. This 5 percent mark-up was turned over to the Consumers' Club.

Not all buying units, however, pursued this plan. Others, following more closely the Rochdale cooperative plan, charged themselves the same prices which chain stores charged at retail, sent the required 5 percent to the Consumers' Club, and held the remaining money in a unit treasury. With this little treasury, added to each week, such units were enabled to buy in anticipation of needs, profit by market conditions, and accumulate stocks of goods which were held in the basements of the homes of their chairmen. One unit accumulated more than \$200 worth of groceries this way. Where stores were accumulated, certain afternoons were set aside when unit members could go basement shopping.

Cooperative purchase of milk was got under way, too. The committee first obtained the sanitary ratings of

all local milk distributors for the previous 6 months from the District Board of Health. Selecting the top four companies, it then checked these companies' labor record. This check reduced the number of milk suppliers with which the committee wished to deal to two. One of these, as it happened the smallest company, made a satisfactory contract with the Club. Under this contract, the milk company agrees to sell at current prices to Club members and to return to the Club 5 percent of its sales as a patronage refund. At the present time, about 100 families are buying milk from this supplier.

But to go back to groceries: Six months of experimentation in cooperative buying saw the original four members of the buying committee increased to seven units with four or five members in each unit. The units, in turn, had become growing concerns. Some developed their own treasuries, their own stores, their own club programs. New



Dining rooms, parlors, and basements of the homes of group chairmen became distributing centers for cooperative-purchased groceries where group purchases were divided into family baskets and families called for their own supplies.

wrinkles were tried. A project for buying canned goods in the summer at summer bargain prices for delivery in the fall almost came to grief, for the contract was given to an unreliable person and when fall came no delivery was made. By last-minute maneuvering, however, an order was finally placed with another wholesaler and the enterprise was saved, to the great relief of the committee and to the satisfaction of the other cooperators.

Building a business, such as this, was costly in time to the leaders. The work of the committee had grown to such an extent that one member was giving practically a whole week to its activities. Other members were giving from one to two days a week. Volume of business had grown from an original \$50 to \$250 a week. Membership had also changed. Some of the original committee members had found jobs and had dropped out. Others had left town. But the units were a constant source of new blood and as fast as one person dropped out, other persons joined up. Not all new members stuck. Some lost interest after a week or two, but in most cases women either dropped out immediately or became permanently enthusiastic members.

So far, the cooperative buying program of Washington's Consumers' Club was strictly a woman's activity. No men took part in the committee work. At the meetings of the Consumers' Club men members began to be critical. First of all they complained that they were excluded from the work of the committee. Then, too, they added, no cooperative ideal was being achieved by the committee's work. One man called it a "Haggler's Club." The women, defending their work, described the savings they made, pointed to the guarantees of quality they secured for their members. Most of all, they talked about the consumer education

they had given to members. The men, finally, were won over. Out of the Club's deliberations an agreement was reached to work together toward the establishment of a cooperative store.

Consistent cooperators, the buying committee had all along attempted to buy from cooperatives wherever possible. One of their chief sources of graded eggs and scored butter was a producers' cooperative. When the time came to place the consumer business on a firmer and more permanent basis, this producers' cooperative came to their support by placing warehouse space for a nominal rent at the committee's disposal.

Equipped with a warehouse, the committee's purchasing of foods went on much the same as usual but from this time on all food was sold at current retail prices. The buying committee still made its weekly trip to the various wholesalers but the distribution of goods was more efficiently organized. All purchases made by the committee were delivered to the warehouse where volunteers packaged them and made up orders for delivery to the homes of the unit chairmen. Here, as before, the units made their own arrangements for final delivery to individual families. Delivery was made from the warehouse to the units by hired trucks for which the committee paid \$1.10 an hour.

Still business grew. Sales soon totaled about \$500 a week. To handle this business with the same care and detailed attention as before, the committee soon decided, would be impossible without the establishment of a cooperative store and the employment of full-time workers. In December 1936, the decision was made to open a cooperative store.

First essential step in the organization of a cooperative is the writing of articles of incorporation, and the determination of the financial structure. Lawyer members of the Con-

sumers' Club served on the committee to prepare the articles of incorporation, while another committee looked for a store and made arrangements for moving. In the latter part of December the articles of incorporation were completed, the store was rented, and Rochdale Stores, Inc., was launched.

Rochdale Stores, Inc., is now an entirely separate organization from its original parent organization, the Washington Consumers' Club. It has a capital of \$1,500 which was derived from the sale of shares to cooperators at \$5 per share. Many members own more than one share but only one vote goes to each person. There is a board of directors consisting of eleven members which meets once a week. Shareholders meet once a year.

Management of the cooperative is in the hands of committees. Three directors' committees are: A store committee, which supervises the physical details of the store, moving, etc.; a legal committee made up of lawyer members of the cooperative; and a management committee. Shareholders' committees are: Astore service committee, which provides volunteers to assist in the work of running the store; a price committee, which determines prices to be charged at the cooperative store by studying prevailing retail prices; and a research committee, whose chief task is to investigate labor conditions in the companies from which the cooperative purchases its supplies.

Supplies of food which various units had collected on their own account were distributed among their unit members prior to the establishment of the warehouse. Funds in unit treasuries were distributed to members as consumer dividends. Now all major activities are centered in the store. Unit committees still function as secondary distributing centers. The store still

[Continued on page 22]

MAY is strawberry month. Heaviest berry supplies of the season are expected the latter part of this month. Production in the States shipping in May is estimated at 15 percent above a year ago. Strawberry prices probably will register further declines as shipments increase seasonally. Relatively high prices up to mid-April were due to delayed movement of the crop.

When money is short, strawberries may be an indulgence, yet consumers who wish to indulge and justify themselves may buy them, secure in the thought that strawberries rank as an "excellent" source of Vitamin C, often an expensive vitamin on the budget but one that wise consumers dare not omit from the diet. A serving of strawberries weighing 4 ounces gives only a little less Vitamin C than half a cup of orange juice.

Upward trend in retail food costs continued from March 16 to April 13, but at a sharply reduced rate, with costs going up only 0.3 percent. Marked price advances in all meats were primarily responsible for this rise. Moderate price increases in eggs and bread also tended to push up costs, but lower prices for dairy products and fresh vegetables kept down the rate of general increase. Changes throughout the United States were fairly uniform except in the Pacific coast and West North Central States. A relatively large drop in vegetable prices in these areas, offsetting advances earlier this year, caused costs in general to go down almost one-half of 1 percent.

Index of retail food costs on April 13, as reported by the Bureau of Labor Statistics, was 85.6 percent of the 1923-25 average. This was the highest level reached since February 1931. The increase of 7.4 percent over a year ago was due mainly to a 20 percent and 13 percent jump, respectively, in the cost of fruits and vegetables, and eggs. Other items averaged only 3 to 5 percent higher. On April 15, 1933, the index was

Your Food Supplies

60.1, compared with 100.8 on April 15, 1929.

Slight downward movement in consumers' food costs may start within the next month or two, barring a repetition of last year's unfavorable weather. Prices, however, probably will continue higher than a year ago. Major factor determining when costs start moving down, as well as the rate of decline, most likely will be the meat price situation. It appears that prices of all other foods except eggs, apples, and citrus fruits will go down.

Vegetable prices usually decline in spring and summer months as supplies increase and are grown closer to consuming markets. Prices of potatoes, a relatively important item in the consumer's market basket, turn downward from May through mid-August and tend to push down costs in general. Seasonal decline in prices of dairy products occurs in the spring as cows go on pasture. Poultry prices also move downward after May, but egg prices usually advance from their April low point.

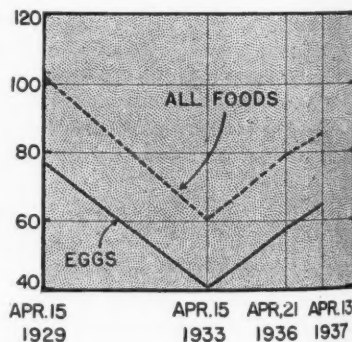
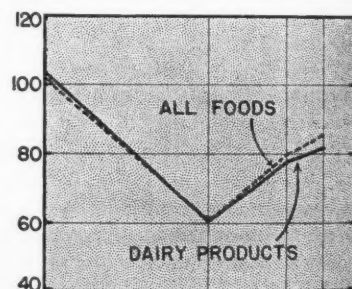
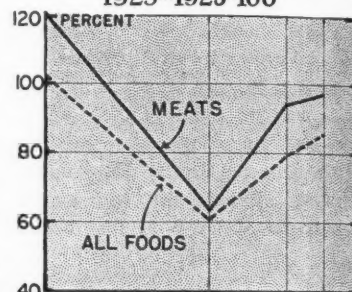
Meat price outlook is a little uncertain, mainly due to the cattle situation. Cattle prices have advanced steadily to relatively high levels. Ordinarily, prices of lower-grade cattle move down in the late spring and summer when supplies of grass-fed cattle increase. It is probable that the price decline this year will be smaller than usual if the expected heavy demand for current consumption and stock replacement purposes materializes. There is also some uncertainty as to whether prices of better beef cattle will drop in the late spring and summer as they did after the 1934 drought. Supplies of the better grades appear to be relatively small. However, lamb prices are expected to decline in late June, when

delayed marketings from the spring lamb crop reach slaughter houses. No material change in pork prices is expected until July and August, at which time there is a seasonal rise.

Meat supplies during May are expected to continue relatively large.

Scarcity of feed, high feed prices, and late development of pastures have resulted in relatively heavy current slaughter of cattle. Some decline in hog slaughter may occur within the next month, but unus-

A PERSPECTIVE OF FOOD COST CHANGES
1923-1925=100



S and Costs

ally large pork storage holdings will tend to offset this decrease. Large supplies of grass-fat yearlings are expected to balance the light supplies of grain-fed and spring lambs.

Retail lamb prices registered the sharpest increase in the meat group from March 16 to April 13. Lamb prices are from 1 to 4 cents a pound higher than at this time last year, due to late movement of spring lambs and an increased consumer demand for meats. No material

downward movement in lamb prices is expected until late in June.

All beef items moved up in price at retail stores during the 4-week period. With the exception of several slight recessions, retail beef prices have been going up since the end of June 1936. It is probable that some decline in prices may occur within the next month.

Retail pork price increases from March 16 to April 13 were confined primarily to fresh items. Compared with last year, ham and bacon prices are about a cent per pound lower, and fresh pork is less than 1 cent a pound higher. Prices in May and June are not expected to go up and may even register some declines.

Increasing supplies and seasonal price declines are expected for most vegetables during May. Tomatoes are the major exception because of serious rain damage to the Florida crop. Lower tomato prices are in prospect for June, when supplies from Mississippi and Texas will be available. New onions are now moving to market in volume. Liberal lettuce supplies are in prospect for May. Potato prices are expected to move downward until about mid-August. Some temporary price rise may occur this month if old potato shipments decline at a much faster rate than the increase in new potato supplies. Larger green corn supplies are expected in May. However, the peak in supplies and low point in prices occur in July and August, when corn comes from local market gardens.

Apple and citrus fruit prices most likely will continue going up during May and June. Apple prices have been advancing since last September. Quality of cold storage holdings will determine the rate of increase until the new crop is available this sum-

mer. Orange prices probably will register more than usual advances this spring and summer because of curtailed supplies from California. The grapefruit season is drawing to a close, and prices are expected to move up seasonally.

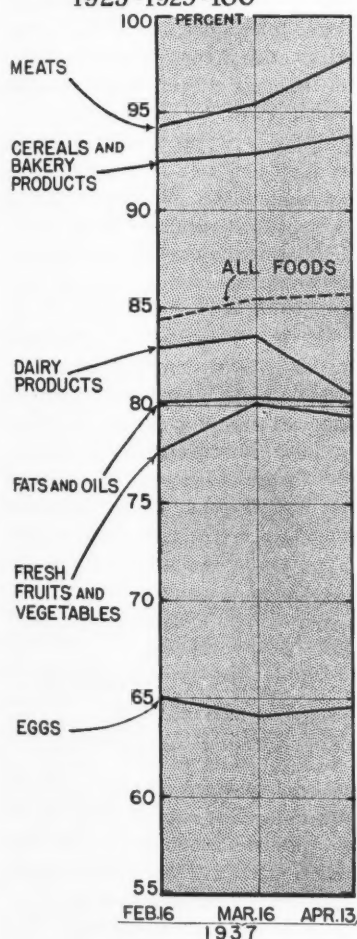
Poultry prices probably will continue advancing in May, at which time the high point ordinarily is reached. Relatively heavy consumer demand for poultry appears to have offset the price depressing effect of large storage holdings.

Butter prices are expected to decline with the low point due in June. Production of butter during the first quarter of 1937 has been unusually small because of relatively high feed costs. This tended to cause an advance in retail butter prices instead of the customary decline. Pastures have been late in developing this year, but as soon as cows go on pasture a marked increase in milk and butter production is in prospect.

Egg prices ordinarily go up from April through November. Increases during spring months are smaller than rises during the late summer and fall. This April wholesale prices declined slightly without any material change in retail prices. Some market observers claim that the failure to reduce retail egg prices sufficiently this spring curtailed consumption and caused this wholesale price recession. Egg production is running about the same as a year ago, and it appears that prices will continue advancing in May.

Average retail white bread prices advanced another 0.1 cent per pound from March 16 to April 13, marking the second successive monthly increase. At 8.4 cents per pound, white bread was at its highest level since February 1936 and 0.2 cent a pound more than a year ago. Advances which occurred were minor with the exception of Dallas, Tex., and Portland, Maine. In these cities prices moved up 1 cent and 0.6 cent, respectively.

A CLOSE UP OF FOOD COST CHANGES
1923~1925=100



WHAT KIND OF SAFEGUARDS?

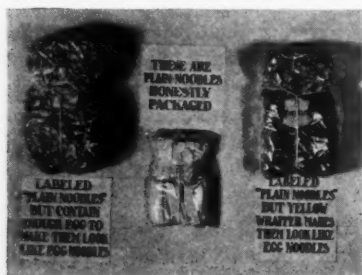
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standards set by the United States Department of Agriculture.

Under the authority of the Farm Product Inspection Act the Department of Agriculture's Bureau of Agricultural Economics maintains a grading service for the use of producers, packers, and distributors of certain food products. These standards were intended originally to help producers, industry, and trade come to a common understanding of the quality of the commodity they were trading in, and to enable farmers to borrow money on crops stored in licensed warehouses.

Today consumers as well as farmers recognize the importance of official standards and grades. Consumers can now purchase in many markets individual pieces or packages of meats and meat products, dairy products, canned fruits and vegetables, and poultry, each of which bears the mark of a Government standard of quality.

For a complete description of standards and of grading, consumers may read: "Present Guides for Household Buying", United States Department of Agriculture Miscellaneous Publication 193; "Toward Better Consumer Standards", CONSUMERS' GUIDE, December 14, 1936; "Standard Facts", CONSUMERS' GUIDE, July 27, 1936; and "U. S.



Under the Food and Drugs Act, labels on food do not have to tell all the truth but whatever they do tell must be true and wrappings must not be misleading.



Adulterations of food are spotted by the Food and Drug Administration only after the food moves in interstate commerce. An official here is examining frozen eggs.

Graded Beef", CONSUMERS' GUIDE, March 11, 1935. In addition there are many other articles and pamphlets on standards and grading. For a list of these, consumers are referred to the "Consumers' Bookshelf", CONSUMERS' GUIDE, March 8, 1937.

Grading according to Government standards of quality may be done in two ways before the goods are sent to market: First, by a Government inspector; second, by the processor. In the latter case, where the grade is marked on the product, it is assumed that the processor has labeled his product honestly.

After the goods have been put on sale, if a processor has been found to have labeled his product falsely as Grade A, or Grade B, or Grade C, he, of course, exposes his product to possible seizure under the Food and Drugs Act provisions relative to misbranding.

All meats, poultry, and eggs which bear Government quality grades are graded before sale by Government graders who mark the products. Other processors, such as canners of fruits and vegetables and manufacturers of butter, may, on the other

hand, grade their products themselves, using Government standard methods, or request a United States grading specialist to sample a consignment of their products. By scientifically determined methods an accurate sample is selected, which is graded. Upon the basis of this sample, a certification of grade is then issued to the processor for trading or financial purposes, but the certification does not appear on the label which consumers see. In every case all expenses of quality grading are borne by the processor requesting the service.

From this survey of the Federal food inspection service, it is plain that the effectiveness of Federal consumer safeguards varies considerably. Most interesting fact is that voluntary action in some cases has resulted in the most effective types of supervision.

Consumers need not necessarily wait on new laws to secure desirable adequate inspection services. Under present laws for many foods the extension of the continuous inspection of production for both quality and wholesomeness can be achieved immediately by actions similar to those taken by the shrimp industry and the poultry products industry. Consumers can give impetus to the movement in this direction by demanding the Federal inspection legend on all the food they buy and by requesting their grocers to pass their requests along to the wholesalers.

BUILDING A COOPERATIVE ENTERPRISE

[Continued from page 19]

makes its deliveries to the units and the units take care of deliveries to the individual members. By the payment of a small service charge, however, a member may have delivery made direct to her home. The

rental of a truck has been continued. This costs the cooperative about \$22 a week, approximately 3 percent of its sales, and although some members are pressing for a truck owned by the cooperative, more conservative members point out that renting a truck with driver is cheaper than buying a truck and employing a driver. Today, orders are phoned into the store on Wednesday or Thursday and deliveries are made on Friday and Saturday.

Until the opening of the store new business was not encouraged since it entailed too much additional work for volunteer members. Today, however, the cooperative solicits new trade. A move to new quarters in a neighborhood where more cooperators live is now contemplated.

That, in short, was how one grocery cooperative got going. Although the group it now serves is not in a small neighborhood, the cooperative store still has the character of a neighborhood institution, in that all members are practically from the same income level, all are similarly employed professional persons, and to a great degree all have the same interests.

This small group of consumers has taken over for itself the retail distribution of its food. This has not been done with any world-shaking success. Members are assured of high quality food at small savings over current retail prices, but to achieve this there has been a considerable expenditure of time and labor on the part of a small group of workers. By weighing the achievements against the expenditures in time and effort perhaps an efficiency expert would deny any gain. The cooperators, even those who have worked the hardest, would take issue with such a conclusion, and they, after all, are the final judges of how well spent their efforts have been. Anyway they are still hard at work.

STUDY QUESTIONS FOR THIS ISSUE

1. What is the difference between *money* income and *real* income?
2. Why is real income more important to consumers than money income?
3. What are some of the things that might slow down recovery or stop it altogether?
4. How did manufacturing production in March this year compare with factory pay rolls and employment?
5. Compared with cost of living in the years 1925-29, which was higher in March 1937: Food, or all other items in workingmen's family living costs?
6. Which has increased faster since March 1933: Cost of living, or labor's money income? How much greater is labor's *real* income now than at that date?
7. Are farmers getting as large a share of consumers' dollars now as they received in predepression years?
8. Labels on which food products are inspected by the Federal Government before they appear on the markets?
9. Under the law, can a manufacturer of canned peas say what he likes on the labels of his products?
10. What information *must* such a manufacturer give on his labels?
11. Is the manufacturer of any food required by law to mark on his product its quality grade?
12. For what foods are there Federal Government standards of quality that apply to the food as consumers buy it?

Our Point of View

The CONSUMERS' GUIDE believes that consumption is the end and purpose of production

To that end the CONSUMERS' GUIDE emphasizes the consumer's right to full and correct information on prices, quality of commodities, and on costs and efficiency of distribution. It aims to aid consumers in making wise and economical purchases by reporting changes in prices and costs of food and farm commodities. It relates these changes to developments in the agricultural and general programs of national recovery. It reports on cooperative efforts which are being made by individuals and groups of consumers to obtain the greatest possible value for their expenditures.

The producer of raw materials—the farmer—is dependent upon the consuming power of the people. Likewise, the consumer depends upon the sustained producing power of agriculture. The common interests of consumers and of agriculture far outweigh diversity of interests.

While the CONSUMERS' GUIDE makes public official data of the Departments of Agriculture, Labor, and Commerce, the point of view expressed in its pages does not necessarily reflect official policy but is a presentation of governmental and nongovernmental measures looking toward the advancement of consumers' interests.

CONSUMERS' MARKET SERVICE

Every other issue of the CONSUMERS' GUIDE comments on changes in food supplies and retail food prices to help individual household buyers in understanding market changes and in buying economically. For purchasers of quantity supplies for consumers' clubs and cooperative associations, we issue this food-supply information more briefly in a special mimeographed 2-page release. This *Consumers' Market Service* is issued on the first and fifteenth of each month. Sample copies may be obtained from:

Consumers' Counsel Division
Agricultural Adjustment Administration
Washington, D. C.

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